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INFORMATION REPORT

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SUBJECT Survey of Economic and Labor Conditions
in Manila Waterfront Area

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SUPPLEMENT TO
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- [REDACTED]
1. The Port of Manila is declining rapidly as a Far Eastern trade and commerce center. Ports in Japan and other Far Eastern countries are handling the bulk of the shipping traffic which has developed since the outbreak of the Korean conflict.
 2. Strict Philippine import and export controls have resulted in a reduction of approximately 20 percent in the normal tonnage handled in the Manila port area. The costs of cargo handling are extremely high as a result of widespread inefficiency and the various labor rackets which are further intensified by growing unemployment.
 3. Kick-backs, payroll padding, and other questionable labor practices are commonplace. As a result of these unfavorable conditions, there are now more waterfront workers doing less work than at any time in recent years.
 4. Widespread corruption in the postwar Philippine Government has served to accentuate the extremely unfavorable conditions which prevailed in the Manila waterfront area during the Japanese occupation. Weapons of all types appear to be plentiful among waterfront laborers and their union leaders.
 5. During 1950, the Delgado Brothers firm won a new Manila waterfront contract for the US Army port area which eliminated the old cabo system of paying laborers through their union bosses. The contract was won with a company union, the General Maritime Stevedoring Union (GMSU), and a newly formed subsidiary group, the Associated Workers' Union (AWU). The GMSU probably is no better nor worse than the previous controlling labor group, the Union de Obreros Estivadores Filipinas (UOEF). The GMSU hopes to convert the AWU to its support in order to establish a new controlling faction in waterfront labor.
 6. Juan (Johnny) Tan, President of the Federation of Free Workers (FFW), organized the AWU which was officially registered in 1950 when it became apparent that the Delgado Brothers firm would be awarded a new US Army stevedoring contract for the Manila port area. Tan in fact formed this

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- 2 -

union with a core of 30 men from the Ateneo de Manila in order to avoid identification with previous waterfront labor factions. This group selected a man named Oca* to serve as Vice-President of the FFW on the advice of Father Walter J. Hogan, Director of the Institute of Social Order, a Manila labor school. Oca, who previously had been forced out of the UOEF, later directed the FFW subsidiary, the AWU.

7. Oca was obliged to hire 300 strong-arm men from Cavite to guard against the threatened violence of the UOEF when the AWU began work under the new Delgado contract. It now appears that this strong-arm group has succeeded in dominating the AWU. As a result, it appears that labor racketeering similar to the practices employed by the UOEF may again prevail in the Manila waterfront labor situation.
8. Tan has applied for police permits to arm members of the AWU to protect themselves against UOEF violence. There is a good possibility that the UOEF may regain its former dominant position in the Manila waterfront labor market.**

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* [REDACTED] Comment. This may be a reference to Roberto Oca, former President of the Philippine Ports Employees' Union.

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** [REDACTED] Comment. Previous reports describing recent developments in the Manila waterfront labor situation have included [REDACTED] 25X1A

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